Supreme Court, U.S.
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No. _____

In the Supreme Court of the United States

Powerscreen of America, Inc., Powerscreen of Washington, Inc., Powerscreen of Northern California, Inc., and Powerscreen International Distribution, Ltd.,
Petitioners,

v.

Construction Equipment Company, and Roger G. Smith,
Respondents.

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

In *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55, 119 S.Ct. 304, 142 L.Ed.2d 261 (1998), this Court granted certiorari to clarify the language of 35 U.S.C. § 102(b), and the lower courts' interpretation thereof, "[b]ecause other courts have held or assumed that an invention cannot be 'on sale' within the meaning of § 102(b) unless and until it has been reduced to practice, and because the text of § 102(b) makes no reference to 'substantial completion' of an invention . . . ." *Id.*, 525 U.S. at 60. In *Pfaff*, the Court held that a sketch of the device embodying the patent-in-suit was sufficient to invoke the on-sale bar of § 102(b) when the sketch was used by the inventor, prior to the critical date, to commercialize the device. The intent of § 102(b), as so noted by this Court in *Pfaff*, is to prevent an inventor from commercially exploiting the invention beyond this one year critical period.

Likewise, in the case at bar, there existed a sketch of the device embodying the patent-in-suit that was used specifically for the purposes of pre-critical date commercialization. The jury, however, did not find invalidity pursuant to § 102(b). In light of its decision in *Pfaff*, this Court must now again grant certiorari on a matter involving that same provision of § 102(b), and to resolve the following question:

Whether a patent is rendered invalid pursuant to § 102(b) by a drawing of the device embodying the patent, sufficiently clear and precise to enable those skilled in the art to produce the device, which was used specifically for the purposes of commercialization prior to the critical date, even when the device had not yet been reduced to practice.

PARTIES TO THE PROCEEDINGS AND RULE 14(b) and 29.6 STATEMENT

The caption of the case contains the names of all the parties who appeared in the United States District Court for the District of Oregon, No. 96-CV-1574, and the United States Court of Appeals for the Federal Circuit, No. 00-1102.

Pursuant to Supreme Court Rules 14(b) and 29.6, Petitioners state that none of Petitioners has a parent corporation, and no publicly held company owns 10% or more of the stock of any of the Petitioners.

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OPINIONS BELOW

The opinion of the court of appeals (App., *infra*, 1a – 2a) is unreported. The opinion of the district court (App., *infra*, 3a – 9a) is unreported.

JURISDICTION

The judgment of the court of appeals was filed on September 13, 2000. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTES INVOLVED

Section 102(b) of Title 35, United States Code, (App., *infra*, 10a – 12a), provides in pertinent part:

A person shall be entitled to a patent unless – . . . .

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, ...

STATEMENT OF THE CASE

The instant matter involves application of 35 U.S.C. § 102(b) to render a patent invalid. This Court's decision in *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55, 119 S.Ct. 304, 142 L.Ed.2d 261 (1998) clarified a key provision in this statute, holding that it was sufficient for a drawing of the device embodying the patent-in-suit to render a patent invalid pursuant to § 102(b), even when the device had not yet been reduced to practice, when the drawing was part of efforts by the inventor to commercialize the invention prior to the

critical date. In *Pfaff*, this Court rejected the lower courts' nontextual interpretation of the word "invention" as used in § 102(b) and, in so doing, eliminated the unwritten requirement of this statute, often applied inconsistently by the lowers courts, that an invention need be "substantially complete" before the on-sale bar could be invoked to render the patent invalid.

Under the clear purpose of § 102(b), as considered by this Court in the *Pfaff* opinion, a patent must be held invalid when a drawing of the device embodying the patent-in-suit was part of a common course of conduct by the inventor to commercialize, or to place "on sale," the device prior to the critical date, even when the device had not yet been reduced to practice.

In the instant matter, this Court is again called upon to rule upon this provision in the statute. What this Court began in *Pfaff*, in clarifying the intent and language of § 102(b), must now be further confirmed by granting certiorari in the instant matter, where there existed a drawing of the device embodying the patent-in-suit that was utilized by the inventor specifically for the purposes of commercialization prior to the critical date.

A. The proceedings below.

i. The parties.

Petitioners, Powerscreen International Distribution, Ltd.; Powerscreen of America, Inc.; Powerscreen of Washington, Inc.; and Powerscreen of Northern California, Inc. (collectively "Powerscreen"), manufacture and sell more than thirty different models of equipment, including waste screening devices. Respondents, Construction Equipment

Company and Roger G. Smith (collectively "CEC"), also manufacture and sell heavy-duty waste screening devices.

The subject of the trial in this matter was Powerscreen's Titan 516, a waste screening and sifting machine used to separate large rocks, debris and soil into saleable materials. Powerscreen designed, manufactured and began marketing the Titan 516 in 1996 as a result of the steady growth, in the last decade, of Powerscreen's environmental recycling market. CEC claimed that the Titan 516 infringed its patent, U.S. Patent No. 5,234,564 ("the '564 patent").

ii. The '564 patent.

On July 24, 1992, Roger Smith, the founder and Chairman of the Board of CEC, applied for the '564 patent, which claimed a device designed to sort bulk material such as rocks, soil and debris. The eight-claim '564 patent generally described a machine consisting of a hopper for feeding debris into the device, an elevator belt under the hopper to deposit debris over two or more screen decks, and screen decks for separating the debris according to its size. The entire machine was placed on a wheel-based structure that could be towed by a separate vehicle.

On August 10, 1993, the Patent and Trademark Office granted Mr. Smith's application, and assigned to Mr. Smith the '564 patent. Mr. Smith first licensed, and subsequently assigned, the '564 patent to CEC.

iii. The decisions of the district court and court of appeals.

CEC's Complaint, filed in U.S. District Court for the

District of Oregon, Civil Action No. 96-1574 AS, contained allegations arising under the laws of the United States relating to patents – namely, infringement of the '564 patent. Powerscreen's Answer to the Complaint sought a declaratory judgment that the '564 patent was invalid and/or not infringed, and contained counterclaims arising under federal law, as well as claims that arose under Oregon state statutory law. Complete diversity existed between the parties, and the amount in controversy was well in excess of the jurisdictional minimum of $75,000.00. Therefore, federal jurisdictional power over the claims filed in this action resided in the district court under 28 U.S.C. §§ 1331,[1] 1338,[2] 1367[3], 2201, 2202.[4]

After a trial on this matter, the district court, on July 28, 1999, entered a Final Judgment, and Findings of Fact and Conclusions of Law ("Final Judgment"), in which United

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[1] Section 1331 places in the district courts jurisdiction over civil actions arising under "the Constitution, laws, or treaties of the United States." 28 U.S.C. § 1331.

[2] Section 1338, in part, grants to the district courts jurisdiction over "any Act of Congress relating to patents." 28 U.S.C. § 1338.

[3] Section 1367 grants supplemental jurisdiction to the district court over "all other claims that are so related to the claims in the action within [the district court's] original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution." 28 U.S.C. § 1367(a).

[4] Sections 2201 and 2202 of Title 28 of the United States Code confer upon district courts the power to issue declaratory judgments and award any appropriate relief "in a case of actual controversy within [the district court's] jurisdiction." 28 U.S.C. §§ 2201, 2202.

States Magistrate Judge Donald C. Ashmanskas held that claims 1, 2 and 5-8 of the '564 patent were not invalid, not unenforceable and infringed by Powerscreen, and awarded CEC damages of $2,088,471.75 and a permanent injunction that enjoined Powerscreen from manufacturing, using, selling or offering to sell in the United States, and from importing into the United States, the Titan 516 or insubstantial variations thereof that infringed claims 1, 2 and 5-8 of the patent-in-suit. Powerscreen appealed the Final Judgment to the United States Court of Appeals for the Federal Circuit, and also appealed the district court's Order, entered on October 5, 1999, denying Defendants' Renewed Motion for Judgment as a Matter of Law, or, in the Alternative, for a New Trial. As this was an appeal of an action involving a patent, the court of appeals had general appellate jurisdiction. 28 U.S.C. § 1295(a)(1).[5]

The United States Court of Appeals for the Federal Circuit affirmed the district court's Final Judgment, without opinion, in a Judgment filed on September 13, 2000.

B. The sketch of the device embodying the '564 patent used by the inventor specifically for commercialization.

The on-sale and public-use bars to patentability, codified in 35 U.S.C. § 102(b), provide that a patent shall not be issued for an "invention . . . in public use or on sale in this country, more than one year prior to the date of the

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[5] This statute places in the United States Court of Appeals for the Federal Circuit ("Federal Circuit") exclusive jurisdiction "of an appeal from a final decision of a district court of the United States . . . if the jurisdiction of that court was based, in whole or in part, on section 1338 of this title . . . ." 28 U.S.C. § 1295(a)(1).

application for patent in the United States." If it is established that a patented invention was in the public use or on sale in the United States more than one year before the date of the patent application, then the entire patent is invalid. This one year period preceding the patent application is known as the "critical date." *Cf. Pfaff*, 525 U.S. at 57-58. Because Mr. Smith applied for the '564 patent on July 24, 1992, the critical date in this matter was July 24, 1991.

Powerscreen maintained at trial, and on appeal, that although the Screen-It, the device embodying the '564 patent, might not have been reduced to practice, CEC nonetheless utilized a sketch of the device, dated April 5, 1991, for the specific purposes of commercialization prior to the critical date. This sketch - identified at trial as Defendant's Exhibit 201 and on appeal at page 2872 of the Joint Appendix - contained a dimensional diagram on which were written various sales points, such as details of the feeder belt, of the device.

Richard Remke, a then-salesman for CEC with over forty years of experience in the sales of heavy machinery, testified at trial that it was CEC's common course of conduct to utilize such sketches for the specific purpose of commercializing its products via its salespeople. Indeed, Mr. Rehmke testified that he relied on these sketches in his work as a CEC salesman, and further testified that not once during his employment with CEC did anyone from CEC caution him about making public offers for sale of the Screen-It while the patent on the device was pending.

It is undisputed that CEC sold a Screen-It to one of its customers, Red-E Top Soil of Redmond, Washington, on August 23, 1991.

REASONS FOR GRANTING THE PETITION

In *Pfaff*, in order to clarify the language of § 102(b) and the lower courts' interpretation of this provision of the statute, this Court held that a patent need not be proven reduced to practice in order to invoke the on-sale bar of § 102(b), if the device embodying this patent was commercialized with a description and drawings sufficiently clear and precise to enable those skilled in the art to produce the device.

The question for this Court, which must now be reviewed by granting certiorari, arises as further confirmation of the decision in *Pfaff*: whether a patent is rendered invalid pursuant to § 102(b) by a drawing of the device embodying the patent, sufficiently clear and precise to enable those skilled in the art to produce the device, which was used specifically for the purposes of commercialization prior to the critical date, even when the device had not yet been reduced to practice. Based upon this Court's decision in *Pfaff*, which drew upon the underlying purpose of § 102(b) to eliminate the lower courts' nontextual interpretation of the word "invention," the answer to this question must unequivocally be in the affirmative.

The Federal Circuit, the appellate court charged by statute to review decisions involving the U.S. patent laws, has held that "[t]he overriding concern of the on-sale bar is an inventor's attempt to commercialize his invention beyond the statutory term." *STX, LLC v. Brine, Inc.*, 211 F.3d 588, 590 (Fed.Cir. 2000) (*citing Ferag v. Quipp, Inc.*, 45 F.3d 1562, 1567 (1992)). In *Pfaff*, the U.S. Supreme Court similarly determined that "[t]he balance between the interest in motivating innovation and enlightenment by rewarding invention with patent protection on the one hand, and the

interest in avoiding monopolies that unnecessarily stifle competition on the other, has been a feature of the federal patent laws since their inception." *Id.*, 525 U.S. at 63. This Court added that "[a] similar reluctance to allow an inventor to remove existing knowledge from public use undergirds the on-sale bar." *Id.*, 525 U.S. at 64.

In obtaining statutory protection of its '564 patent, CEC has indeed been allowed to remove existing knowledge of this patent from the public domain. It is without cavil that CEC not only did not maintain as secret the knowledge of the '564 patent prior to the critical date, but indeed utilized this knowledge to commercialize the patent during the period of time in question, albeit if through a sketch of the Screen-It and not a device that had been reduced to practice. Simply stated, however, CEC placed the device embodying the '564 patent on sale prior to the critical date.

The crux of the *Pfaff* decision is that two conditions must be satisfied prior to the critical date in order to hold a patent invalid pursuant to the on-sale bar: "First, the product must be the subject of a commercial offer for sale . . . Second, the invention must be ready for patenting." *Id.*, 525 U.S. at 67. As to the second *Pfaff* factor, there is no question that here – and CEC has not argued otherwise – the sketch of the Screen-It at issue contained "'sufficient clearness and precision to enable those skilled in the matter' to produce the device." *Pfaff*, *supra*, 525 U.S. at 63 (citation omitted). However, the jury did not find invalidity pursuant to § 102(b).

In explaining the first *Pfaff* factor, that the invention "must be the subject of a commercial offer for sale," this Court explained that "[a]n inventor can both understand and control the timing of the **first commercial marketing** of his

invention." 525 U.S. at 67 (emphasis added). CEC clearly understood and controlled the timing of "the first commercial marketing" of the Screen-It. This "commercial marketing" was accomplished by CEC with the April 5, 1991 sketch of the Screen-It. Clearly, the purpose of § 102(b), to prevent an inventor (1) from artificially overextending the government-sanctioned monopoly afforded one who rightly receives patent protection and (2) from wrongly removing what was once in the public domain was implicated by CEC's actions.

That the sale of the Screen-It to Red-E Top Soil occurred after the critical date does not detract from, but indeed bolsters, the fact that the '564 patent was commercialized, or "on sale," prior to the critical date, in violation of § 102(b). "In this regard, 'the conduct of the parties and other evidence of events occurring **after the transaction** may be relevant' to show the intent of an actual or proposed transfer of the claimed invention prior to the critical date." *Nordberg, Inc. v. Telsmith, Inc.*, 881 F.Supp. 1252, 1283 (E.D.Wisc. 1995) (emphasis added) (*quoting Kock v. Quaker Oats Co.*, 681 F.2d 649, 657 (9th Cir. 1982)). This Court similarly so held in *Pfaff*, determining that, although the sale of the device in question was completed prior to the critical date, "the acceptance of the purchase order prior to April 8, 1989 makes it clear that such an offer had been made . . . ." *Id.*, 525 U.S. at 67.

There is, thus, no doubt that CEC's goal was to make a profit on the sale of the Screen-It and had, therefore, commercially exploited, or placed "on sale," the '564 patent, as embodied in the Screen-It, during the pre-critical date period. By granting certiorari here, this Court would not detract from "the strong interest in providing inventors with a clear standard identifying the onset of the 1-year [critical] period . . . ." *Pfaff*, 525 U.S. at 63. Indeed, this Court has

already held in *Pfaff* that it "perceive[d] no reason why unmanageable uncertainty should attend a rule that measures the application of the on-sale bar of § 102(b) against the date which an invention that is ready for patenting is **first marketed commercially**." *Pfaff*, 525 U.S. at 67 (emphasis added).

The facts obtained in the trial of this matter clearly indicate that it was CEC's intent to actively promote, exploit and commercialize the Screen-It – to place this device "on sale" – prior to the critical date, with the April 5, 1991 sketch of the device. The *Pfaff* opinion prohibits those actions of pre-critical date commercialization that afford the inventor such an unfair monopoly over his invention and allow the inventor to unfairly pull the invention from what was rightly within the public domain by placing the invention "on sale" before the critical date. As stated by Judge Learned Hand, in a holding followed by this Court in *Pfaff*: "[I]t is a condition upon an inventor's right to a patent that he shall not exploit his discovery competitively after it is ready for patenting; he must content himself with either secrecy, or legal monopoly." *Pfaff*, 525 at 68 (*citing Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516, 520 (C.A.2 1946)).

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be granted.

/s/_____
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APPENDIX A

UNITED STATES COURT OF APPEALS
FEDERAL CIRCUIT

[Filed September 13, 2000]

No. 00-1102

CONSTRUCTION EQUIPMENT COMPANY and ROGER G. SMITH, *Plaintiffs-Appellees,*	)
v.	)
POWERSCREEN OF AMERICA, INC., POWERSCREEN OF WASHINGTON, INC., POWERSCREEN OF NORTHERN CALIFORNIA, INC., and POWERSCREEN INTERNATIONAL DISTRIBUTION, LTD., *Defendant-Appellants.*	)

On Appeal from the United States District Court for the District of Oregon, 96-CV-1574.

Before NEWMAN, RADER, and LINN, Circuit Judges.

JUDGMENT

PER CURIAM.

This CAUSE having been heard and considered, it is ORDERED and ADJUDGED: AFFIRMED. *See* Fed. Cir. R. 36

Dated: September 13, 2000

ENTERED BY ORDER OF THE COURT

/s/_____
Jan Horbaly, Clerk

ISSUED AS A MANDATE: October 4, 2000

APPENDIX B

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON

[Filed July 27, 1999]

No. 96-1574-AS

CONSTRUCTION EQUIPMENT COMPANY, an Oregon corporation; and ROGER G. SMITH, a resident of Oregon, *Plaintiffs,*	)
v.	)
POWERSCREEN INTERNATIONAL DISTRIBUTION, Ltd., a corporation of Northern Ireland; POWERSCREEN OF AMERICA, INC., a Kentucky corporation; POWERSCREEN OF WASHINGTON, INC., A Washington corporation; and POWERSCREEN OF NORTHERN CALIFORNIA, INC., a California corporation, *Defendants.*	)

FINAL JUDGMENT

It is hereby ordered that claims 1, 2 and 5-8 of U.S. Patent No. 5,234,564 issued to Roger Smith are not invalid,

are not unenforceable and are infringed by the Powerscreen Titan 516; claims 3 and 4 are ruled to be invalid. The defendants are to pay to the plaintiffs the amount of $2,088,471.75 within ten (10) days of the date of this Order. The defendants are jointly and severally liable for these damages.

It is further ordered that defendants and their directors, officers, agents and employees, are permanently enjoined from manufacturing, using, selling or offering to sell in the United States and from importing into the United States the Titan 516 or insubstantial variations thereof and from otherwise infringing claims 1, 2 and 5-8 of U.S. Patent No. 5,234,564, and from inducing or contributing to any such infringement.

This judgment incorporates by reference the appended Opinion.

Date: July 21, 1999

/s/_____
Honorable Donald C. Ashmanskas
U.S. Magistrate Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON

[Filed July 27, 1999]

— No. 96-1574-AS

CONSTRUCTION EQUIPMENT COMPANY, an Oregon corporation; and ROGER G. SMITH, a resident of Oregon, *Plaintiffs,*	)
v.	)
POWERSCREEN INTERNATIONAL DISTRIBUTION, LTD., a corporation of Northern Ireland; POWERSCREEN OF AMERICA, INC., a Kentucky corporation; POWERSCREEN OF WASHINGTON, INC., A Washington corporation; and POWERSCREEN OF NORTHERN CALIFORNIA, INC., a California corporation, *Defendants.*	)

FINDINGS OF FACT AND CONCLUSIONS OF LAW

This case was filed on October 31, 1996 based upon the allegation that defendants (collectively "Powerscreen") were infringing U.S. Patent No. 5,234,564 issued to Roger Smith and assigned to Construction Equipment Company (the plaintiffs, collectively "CEC"). On February 6, 1997 the

court granted plaintiffs' motion for preliminary injunction enjoining defendants from selling the accused Powerscreen Titan 516 or from otherwise infringing the '564 patent. The injunction was entered on March 25, 1997 after posting of the bond by CEC. Subsequently, the court granted Powerscreen's motion for summary judgment as to the invalidity of claims 3 and 4 of the '564 patent, and CEC's motion as to the infringement, the lack of anticipation and the non-obviousness of claims 1, 2 and 5-8. The parties stipulated that compensatory damages would be $500,000, based upon 18 allegedly infringing sales, in the event CEC prevailed at trial, subject to any appropriate enhancement, attorney fees, prejudgment interest and award of costs, following trial of the case.

A jury trial was conducted during the week of April 5, 1999. At the conclusion of Powerscreen's case, the court granted Judgment as a Matter of Law for CEC as to Powerscreen's public use defense. On April 9, 1999, the jury returned a verdict for CEC, finding that Powerscreen copied CEC's patented Screen-It system, and failed to obtain timely, competent advice of counsel. Further, the jury found that Powerscreen willfully infringed the '564 patent. The jury also found that Powerscreen had failed to prove that the patented system was on sale more than one year prior to the July 24, 1992 filing date of the '564 patent. Because there was no barring offer for sale, Powerscreen's inequitable conduct defense also failed as to the on-sale defense. Finally, the jury rejected Powerscreen's argument that CEC had engaged in inequitable conduct by failing to disclose certain prior art screening equipment to the Patent and Trademark Office during prosecution of the '564 patent.

Following trial, CEC moved for a trebling of damages and prejudgment interest pursuant to 35 U.S.C. § 284, and for attorney fees pursuant to 35 U.S.C. § 285. As a part of that briefing, Powerscreen offered two opinions by patent attorney John Gould, which had been previously submitted in connection with Powerscreen's opposition to the motion for summary judgment, but which had not been entered into evidence at trial. Two other opinions by Mr. Gould, dated February 26 and March 5, 1997, which were similarly not submitted into evidence at trial, were offered by CEC.

The following factors, set forth in *Read Corp. v. Portec, Inc.*, 970 F.2d 816, 826-27 (Fed. Cir. 1992), all support the trebling of damages: (1) whether the defendant deliberately copied (the jury found that Powerscreen copied); (2) whether the infringer, when he knew of the patent, investigated the scope and formed a good faith belief that it was invalid (the jury found that no competent, timely opinion was obtained); (3) defendant's size and financial condition (Powerscreen is a large, healthy international company); (4) closeness of the case (this was not a close case on willfulness); (5) defendant's motivation for harm (Powerscreen saw a need to get a competitive product on the market as soon as possible); and (6) whether defendant attempted to conceal its misconduct (the jury's finding of copying rejected Mr. Suitor's testimony that he did not copy; in a deposition Mr. Lowe denied talking with Mr. Suitor about CEC's Screen-It, but at trial conceded that he had). The remaining *Read v. Portec* factors do not appear to be applicable to the present case.

Therefore, based upon a totality of the circumstances, the court grants CEC's motion for a trebling of damages,

thereby enhancing the agreed-upon $500,000 to a total award of $1,500,000. In reaching this decision, consideration was given to the evidence submitted at trial, the various Gould opinions, the jury verdict and the applicable case law.

As to prejudgment interest, because any delays in the litigation of this case were not due to CEC, the motion is granted. Interest should be calculated on the $500,000 portion of the damage award, from the date on which the 18 orders were placed, at the U.S. Treasury bill rate, compounded annually, other than for $140,000. That portion is to be calculated at prime plus .75% because of loans CEC made at this higher interest rate to finance the litigation. As to this $140,000 amount, the increased interest rate is to be applied to $100,000 as of March 26, 1997, and to $40,000 as of December 22, 1997. Calculating the prejudgment interest to August 2, 1999 comes to $82,348.12.

As to attorney fees, the court finds this to be an exceptional case, and awards CEC its attorney fees. In coming up with an appropriate amount, the court considered CEC's fee agreement with its counsel, the American Intellectual Property Law Association survey regarding attorney fees in patent litigation, the Kolisch, Hartwell bills to CEC, and the totality of the circumstances of this case. Based upon this evidence and the fact that I am awarding treble damages to CEC, the attorney fee award to CEC will be $502,293.58, rather than the requested $702,257.00.

Because two of the claims of the Smith patent were invalidated, the parties are to bear their own costs pursuant to 35 U.S.C. § 288.

CEC's motion for permanent injunction is granted, enjoining Powerscreen from manufacturing, using, selling, offering for sale in the United States and from importing into the United States, the Powerscreen Titan 516 and any other screening system which infringes claims, 1, 2, 5, 6, 7 or 8 of the '564 patent. This injunctions will not be stayed pending appeal. CEC's preliminary injunction bond is released.

Date: July 21, 1999

/s/_____
Honorable Donald C. Ashmanskas
U.S. Magistrate Judge

APPENDIX C

35 USC § 102

35 U.S.C.A. § 102

UNITED STATES CODE ANNOTATED
TITLE 35. PATENTS
PART II--PATENTABILITY OF INVENTIONS AND GRANT OF PATENTS
CHAPTER 10--PATENTABILITY OF INVENTIONS

§ 102. Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless--

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented, or was the subject of an inventor's certificate, by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application for patent or inventor's certificate filed more than twelve months before the filing of the application in the United States, or

(e) The invention was described in--

> (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effect under this subsection of a national application published under section 122(b) only if the international application designating the United States was published under Article 21(2)(a) of such treaty in the English language; or
>
> (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that a patent shall not be deemed filed in the United States for the purposes of this subsection based on the filing of an international application filed under the treaty defined in section 351(a); or

(f) he did not himself invent the subject matter sought to be patented, or

(g)(1) during the course of an interference conducted under section 135 or section 291, another inventor involved therein establishes, to the extent permitted in section 104, that before such person's invention thereof the invention was made by such other inventor and not abandoned, suppressed, or concealed, or (2) before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it. In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.